

## **THE FAILED REPUBLICAN RECORD: HEALTH CARE**

### **RECORD FORTY FIVE MILLION AMERICANS NOW WITHOUT HEALTH INSURANCE**

The number of Americans without health insurance increased by 1.4 million last year and 5 million since the Bush-Cheney Administration came to power, reaching a total of 45 million – the largest number of uninsured Americans ever recorded. The percentage of the population without health insurance rose from 15.2 percent in 2002 to 15.6 percent in 2003.

### **PRIVATE INSURANCE DIMINISHING, COVERING FEWEST IN A DECADE**

The increase in Americans without health insurance is entirely due to a drop in private health insurance coverage. The percentage covered by employment-based health insurance dropped from 61.3 percent in 2002 to 60.4 percent in 2003 – reaching the lowest level in 10 years. That drop was partly offset by an increase in the percentage covered by government plans – especially Medicaid.

### **BUSH HEALTH SAVINGS ACCOUNTS WILL NOT SUBSTANTIALLY EXPAND COVERAGE**

The key elements of the Bush-Cheney health coverage program involve modest tax credits to help people purchase insurance in the individual market and a new tax deduction for the cost of individual high-deductible insurance policies for people with Health Savings Accounts (HSAs). However, the amount of the proposed tax credit (\$1,000 per adult and \$500 per child) is considerably less than the cost of insurance, except perhaps for young people in good health who are willing to accept limited coverage.

### **BUSH-CHENEY PROPOSALS COULD FURTHER WEAKEN PRIVATE COVERAGE**

Although group insurance provided by employers remains the backbone of health coverage in this country, Bush-Cheney health care proposals would further weaken group coverage. The availability of the tax credit and the deduction is expected to cause some employers to reduce or discontinue coverage for their employees – preferring to shift those costs to the government. Where employers continue to provide insurance, younger and healthier workers who can get coverage through the tax credit may decide to do so, raising costs for everyone left behind.

### **COMMUNITY HEALTH CENTERS NO SUBSTITUTE FOR HEALTH INSURANCE COVERAGE**

The Bush-Cheney Administration has made Community Health Centers (CHCs) a centerpiece of its strategy to improve access to health care. However, Health Centers are not a substitute for health insurance. CHCs provide primary care on a free or reduced-cost basis to people without other coverage or ability to pay. They are not hospitals, they can't offer inpatient care, few have specialists or facilities for specialized diagnostic tests, and they can't provide coverage for drug costs. While an important part of ensuring basic care to the uninsured, Health Centers alone are not a health care plan.

### **REPUBLICAN BUDGETS CUT OTHER HEALTH CARE ACCESS PROGRAMS**

While CHC funding has grown substantially – the FY 2005 budget request and House-passed level represent a 57 percent increase over four years earlier – the Bush-Cheney budgets would eliminate, cut, or impose multi-year freezes on many other programs that help improve access to health care. Many initiatives, particularly those that compliment the Community Health Center Program or that expand health access in rural areas, face the budget axe in the Bush-Cheney budget.

### **BUSH-CHENEY UNDERCUT HEALTH CARE FOR RURAL AMERICANS**

The Bush-Cheney budget cut Rural Health Care Outreach grants 72 percent below the current-year level and entirely eliminated grants to rural hospitals. The House-passed bill cuts these programs by 24 percent and 18 percent, respectively. The outreach grants help improve access to primary care in rural areas, while the hospital grants are used to develop and implement state rural health plans and help rural hospitals qualify under various Medicare rules and to improve their information systems.

### **BUSH-CHENEY ELIMINATE EFFORTS TO PUT PHYSICIANS IN RURAL AREAS**

The President's budget eliminates programs to train primary care doctors and dentists – which are targeted to increasing the number practicing in rural and underserved areas – while the House bill “only” makes a 22 percent cut in the program. The Bush budget also urged a 92 percent cut in programs to increase the number of minority and disadvantaged students in medical and other health professions schools, while the House rejected this cut and provided a freeze instead.

### **BUSH-CHENEY ELIMINATE HEALTHY COMMUNITIES ACCESS PROGRAM**

Both the Bush budget and the House appropriations bill terminate the Healthy Communities Access Program (HCAP), which makes grants to local consortia of hospitals, health centers, and other providers to build better integrated systems of care for the uninsured, such as referrals to specialists. This means that roughly 70 communities will lose their existing three-year grants and about 35 new grants will not be made.

### **PRENATAL AND CHILD HEALTH WEAKENED BY BUSH-CHENEY, REPUBLICAN BUDGETS**

Under Bush-Cheney and House Republicans, the Maternal and Child Health Block Grant receives slightly less in FY 2005 than it did three years earlier – a 10 percent cut in purchasing power. This block grant helps states provide prenatal care for mothers and preventive health services and medical treatment for children lacking health care.

### **CHILD IMMUNIZATION EFFORTS WEAKENED BY BUSH-CHENEY BUDGET**

The Administration plan would freeze appropriations for child immunization programs of the CDC, leaving that program one percent below its 2002 level while the cost to immunize a child with all recommended vaccines has risen 18.5 percent over that period. The House did only slightly better, providing a one percent increase above FY 2002.

### **BUSH-CHENEY PRIVATIZE MEDICARE UNDER GUISE OF DRUG BENEFIT**

In passing the recent Medicare drug benefit, the Bush-Cheney White House and Congressional Republicans insisted on providing this benefit only through HMOs, insurance companies and other private plans, rather than relying on the efficiency of Medicare and the purchasing power of its 41 million beneficiaries to provide a simple, universal and low-cost benefit. In fact, their legislation expressly prohibits Medicare itself from negotiating lower drug prices for seniors.

### **MEDICARE PRIVATIZATION COSTS MORE THAN TRADITIONAL MEDICARE**

The Republicans' ideological preference for private insurance over Medicare has led them to continue to pour money into managed care even when it is clearly more expensive than traditional Medicare. The privatization provisions of the new Bush-Cheney Medicare law are expected to cost \$46 billion over the next ten years. This is due in part because Medicare payments to managed care plans are now conservatively estimated to be 7 to 8 percent higher than the cost of traditional Medicare.

### **BUSH-CHENEY MEDICARE PRIVATIZATION LEADS TO HIGHER PREMIUMS**

With the Republican Medicare legislation now in place, costs have been rising rapidly – including for beneficiaries. The Bush-Cheney Administration just announced that Medicare premiums will rise by 17 percent this coming January, from \$66.60 to \$78.20 per month – the largest increase in 15 years.

### **DRUG DISCOUNT CARD PLANS COMPLICATED, PROVIDE LITTLE BENEFIT**

Medicare beneficiaries are now coping with a bewildering array of national and local drug discount cards – with the drugs covered, their prices, and the pharmacies participating differing from card to card and prices allowed to change weekly (while beneficiaries may change cards only once in 19 months). The confusion is likely to only get worse when the “permanent” drug benefit begins in 2006, where seniors will have to choose between an array of drug-only plans and Medicare HMOs, instead of getting their benefit through traditional Medicare, which is simpler and more efficient.

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